GOVERNMENT OF MYSORE

DEPARTMENT OF LAW AND PARLIAMENTARY AFFAIRS.

NOTIFICATION

No. LAW 59 LCR 1973, Bangalore, dated 7th July 1973

The Governor of Mysore is pleased to order that the Employees' Family Pension (Second Amendment) Scheme 1973 which has been published as G.S.R. 186 (E) in the **Gazette of India,** Extraordinary Part II, Section 3, sub-section (i), dated 31st March 1973 be republished in the **Mysore Gazette** for general information.

H. SUBBA RAO,
Under Secretary to Government,
Department of Law and Parly. Affairs.

GOVERNMENT OF INDIA

MINISTRY OF LABOUR AND REHABILITATION

(Department of Labour and Employment)

NOTIFICATION

New Delhi, the 31st March, 1973

G. S. R. 186 (E).— In exercise of the powers conferred by section 6A read with sub-section (i) of section 7 of the Employees' Provident Fund and Family Pension Fund Act, 1952 (19 of 1952), the Central Government hereby makes the following Scheme further to amend the Employees' Family Pension Scheme, 1971, namely :—

1. (1) This Scheme may be called the Employees' Family Pension (Second Amendment) Scheme, 1973.

(2) It shall be deemed to have come into force on the 1st day of March, 1971.

2. In the Employees' Family Pension Scheme, 1971—

(i) to paragraph 6, the following provisos shall be added, namely :—

"Provided that where there has been a break in the membership of the Family Pension Fund on account of closure of an establishment, strike, lock-out, leave without pay, retrenchment, resignation, termination, discharge or for any other such reason and the period of such break between two spells of reckonable service either under the same establishment or under different establishment coverd under the Act does not exceed one year, such member, if he is not withdrawn the benefit to which he is entitled

under this Scheme and his provident fund accumulations under the Employees' Provident Funds Scheme, 1952, or the Provident Fund Scheme of an exempted establishment, as the case may be, shall continue to be a member of the Family Pension Fund :

Provided further that such break during which no contributions to the Family Pension Fund are payable shall be excluded from the total reckonable service in the manner specified in sub-paragraph (2) of paragraph 34A "

(ii) in sub-paragraph (2) of paragraph 23, for the words "the members of the Family Pension Fund or persons belonging to his family", the words " a member of the Family Pension Fund or persons belonging to his family or persons entitled to receive his provident-fund accumlations" shall be substituted ;

(iii)) in paragraph 28, after sub-paragraph (2), the following sub-paragraph shall be inserted, namely :—

" (3) Where a member who continues to retain his membership of the Family Pension Fund by virtue of the proviso to paragraph 6 dies during the period of reckonable service, the Family Pension payable shall be calculated by treating the notional age of entry arrived at in the manner specified in sub-paragraph (2) of paragraph 34A as the age of entry. " ;

(iv) in paragraph 31,

(a) after the words and figures " in the order indicated in paragraph 29 ", the following shall be inserted, namely :—

" and where the member has not left a family, the life assurance benefit shall be payable to the

person or persons entitled to receive his provident fund accumulations, in the proportion in which the said accumulations may be payable under the provisions of the Employees' Provident Funds Scheme, 1952, or the provident fund rules applicable to the exempted establishment, as the case may be";

(b) for the existing proviso, the following provisos shall be substituted, nemely:—

"Provided that life assurance benefit as stated above shall be payable in respect of such entrants who had entered this Scheme at the age of 25 or below:

Provided further that where a member who continues to retain his membership of the Family Pension Fund by virtue of the proviso to paragraph 6 dies during the period of reckonable service, the life assurance benefit payble shall be calculated by treating the notional age of entry arrived at in the manner sepcified in sub-paragraph (2) of paragraph 34A as the age of entry.";

(v) in paragraph 31A, after the words and figures "to receive Family Pension under paragraph 29", the following shall be inserted, namely:—

"and where the member has not left a family, the amount shall be payable to the person or persons entitled to receive his provident fund accumulations, in the proportions in which the said accumulations may be payable under the provisions of the Employees' Provident Funds Scheme, 1952 or the provident fund rules applicable to the exempted establishment, as the case may be.";

(vi) in sub-paragraph (2) of paragraph 32, after the words and figures " to receive Family Pension under paragraph 29 ", the following shall be inserted, namely :—

" and where the member has not left a family, the retirement benefit shall be payable to the person or persons entitled to receive his provident fund accumulations, in the proportion in which the said accumulations may be payable under the provisions of the Employees Provident Funds Scheme, 1952 or the provident fund rules applicable to the exempted establishments, as the case may be." ;

(vii) after sub-paragraph (2) of paragraph 32, the following sub-paragraph shall be inserted, namely :—

" (3) Where a member continues to retain his membership of the Family Pension Fund by virtue of the proviso to paragraph 6 attains the age of 60 years during the period of reckonable service, the retirement benefit payable shall be calculated by treating the notional age of entry arrived at in the manner specified in sub-paragraph (2) of paragraph 34A as the age of entry " ;

(viii) paragraph 33 shall be renumbered as sub-paragraph (1) thereof and after the paragraph as so renumbered, the following sub-paragraphs shall be inserted namely :—

" (2) Where a member of the Family Pension Fund to whom any amount has become payable under sub-paragraph (1) dies before the amount has been actually paid to him, the amount payable under sub-paragraph (1) shall be payable to a member of his family who would have been entitled to receive Family

Pension under paragraph 29 and where the member has not left a family the amount shall be payable to the person or persons entitled to receive his provident fund accumulations, in the proportion in which the said accumulations may be payable under the provisions of the Employees' Provident Funds Scheme, 1952 or the provident fund rules applicable to the exempted establishments, as the case may be."

Where a member who continues to retain his membership of the Family Pension Fund by virtue of the proviso to paragraph 6 dies or applies for withdrawal benefit during the period of any break in the membership of the Family Pension Fund, the withdrawal benefit payable shall be calculated in the manner specified in sub-paragraph (1) by treating the notional age of entry arrived at in the manner specified in sub-paragraph (2) of paragraph 34A as the age of entry";

(ix) paragraph 34 shall be renumbered as sub-paragraph (1) thereof and after the paragraph as so re-numbered, the following sub-paragraph shall be inserted. namely :—

"(2) For the purpose of appling factor given in Table II to the cases governed by sub-paragraph (3) of paragraph 28, the second proviso to paragraph 31, sub-paragraph (3) of paragraph 32 and sub-paragraph (3) of paragraph 33, the notional age of entry determined in the manner specified in sub-paragraph (2) of para 34A shall be deemed to be the age at entry given in Table II of the Schedule to this Scheme";

(x) paragraph 34A, shall be renumbered as paragraph 34C, and before the paragraph as so renumbered. the following paragraphs shall be inserted, namely :—

" 34A : **Payment of Family Pension and other benefits in certain cases :**

(1) Where a member of the Family Pension Fund whose membership has been retained under proviso to paragraph 6, dies after the cessation of reckonable service, family pension and life assurance benefit shall not be payable in respect of such member; but only the withdrawal benefit shall be payable to his family who would have been entitled to receive family pension under paragraph 29 and where the member has not left a family, the benefit shall be payable to the person or persons entitled to receive his provident fund accumulations, in the proportion in which the said accumulations may be payable under the provisions of the Employees' Provident Funds Scheme, 1952, or the provident fund rules applicable to the exempted establishments as the case may be.

(2) For the purpose of calculating the withdrawal benefit payable under sub-paragraph (1), and the other benefits payable under sub-paragraph (3) of paragraph 28, the second proviso to paragraph 31, sub-paragraph (3) of paragraph 32, and sub-paragraph (3) of paragraph 33, the notional age of entry shall be arrived at by deducting the aggregate reckonable service from the age of cessation of membership and the benefit shall be determined by assuming this notional age as the age at entry.

34B : **Simultaneous payment of benefits :**

The retirement benefit and the withdrawal benefit payable under paragraphs 32 and 33 respectively shall be paid simultaneously with the payment of the provident fund accumulations of the member under the Employees' Provident Funds Scheme, 1952, or the provident fund rules applicable to an exempted establishment as the case may be " :

(xi) in Table I of the Schedule, the following entries shall be inserted in the beginning namely :—

"18.....0.20
19.....0.22"

[No. S. 70012(3)/71-PF. II]

Explanatory Memorandum to the Notification

The Employees' Family Pension Scheme, 1971 came into force with effect from 1st March 1971. The Scheme as it stands, provides for cessation of membership of the Family Pension Fund when a member retires or quits service and withdraws or becomes entitled to withdraw the benefits under the Scheme. A member becomes entitled to withdraw the benefits when his contribution ceases even under circumstances like closure of establishment, strike, cessation of employment for any reason whatsoever, etc. This position puts the member to hardship and deprives him of the full benefits under the Family Pension Scheme as the benefits are linked with the age at entry and the period of membership. It is proposed to amend paragraph 6 of the Scheme and make consequential changes in paragraphs 28, 31, 32, 33, 34 of the Scheme to give benefit of continuity of membership of the Family Pension Fund and other benefits thereunder notwithstanding the breaks in membership upto one year occasioned due to reasons specified above. It is necessary to give retrospective effect to the provision as also the consequential provisions from 1st March, 1971, the date from which the Scheme came into force so that the subscribers may get the advantage of the revised provision for retention of membership under this Scheme. Similarly, the Scheme is silent as to whom the Life Assurance Benefits payable should be disbursed in case a member does not leave a 'family' as defined in paragraph 2 (b) of the Scheme. Cases may also arise when a member of the

Fund dies before the amount payable as Retirement Benefit/Withdrawal Benefit is actually paid and leaves no 'family'. The notification seeks to make a provision that in such a contingency the amount shall be payable to person/persons entitled to receive his provident fund accumulations. The retrospective operation of the amendment will not adversely effect the interests of any member of the Family Pension Fund.

DALJIT SINGH,
Under Secretary.